



BULLETIN

Volume 9, Issue 4

June, 2004

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RISK MANAGEMENT DIVISION:

General Information:

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rminfo@state.nd.us

Loss Control:

(701) 328-7582

Workers Compensation:

(701) 328-7583

Office Fax:

(701) 328-7585

Website:

www.state.nd.us/risk/

Risk Management Division

Mission Statement

*To protect the assets
of the State of North
Dakota - its people,
property, and financial
resources - so that the
State can continue to
meet its obligations to
its citizens.*

Risk Management Fund Discount Program Update

We are in the process of reviewing the discount applications filed by May 1, 2004. In July we will be sending out the statements for the FY '05 contributions. The discount amount your agency or facility qualified for will be documented on those statements.

Remember,
now is the time to

begin working toward qualifying for the FY '06 discount. The agenda schedule for Loss Control Committee actions that pertain to the Discount Program can be found on our web site and on page 3 of our May, 2002 Bulletin. If you start now, you will be able to ensure all requirements are addressed well before the May 1, 2005 deadline.



Flex Training . . .

The Supervisor's Guide to Responding to Allegations of Harassment, Violence and Discrimination that was introduced at the 2004 RM Seminar is now on-line and ready for use. This course will provide valuable information for new and veteran supervisors.

Other Flex Training courses available on-line include:

- ♦ Harassment in the Workplace
- ♦ Medical Documentation
- ♦ Incident Reporting—Workers Comp.
- ♦ Incident Reporting—RM Fund
- ♦ Substance Abuse 2003
- ♦ Ergonomics
- ♦ Workers Compensation
- ♦ Safe Van Operations

Contract Derek Watkins at 328-7583 with any questions about the Flex Training resource.



Update

Web site :
www.state.nd.us/cog

By: Janell Quinlan

121 people from 82 state agencies and facilities have been trained on the Living Disaster Recovery Planning System (LDRPS). This software is being used to complete the Continuity of Operations Plan for each entity.

In April, six agencies went on line with the LDRPS to test the customization that the Project Work Group had completed. Those agencies were the Bank of North Dakota, Department of Transportation, Industrial Commission, Job Service, Public Employees Retirement System, and Risk Management. The COG Team and the Project Work Group want to express their thanks to these agencies for volunteering to be test agencies.

In June, the Project Work Group started refresher sessions to bring additional agencies on line. The first two sessions were attended by employees of the Bank of North

Dakota, Central Services, Department of Career and Education, Department of Corrections and Rehabilitation, Department of Human Services, Game and Fish, Industrial Commission, Job Service, Risk Management, and the State Water Commission.



Additional refresher sessions will be conducted through June and July.

Agencies need to complete and submit their plan trees and the information needed to have access accounts set up to Janell Quinlan, ND COG/COOP Project Manager. Once that information has been received, Janell will schedule a refresher session for the agency or facility.

If there is staff in your agency or facility that needs training, please contact Janell Quinlan, ND COG/COOP Project Manager at 701-328-8104 or jquinlan@state.nd.us.



Loss Control Tools

The Ripple Effect of Safety

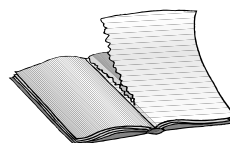
by Chris Conti
 CPCU, CSP
 RiskWise, a safety consulting company.

The development and implementation of a workplace safety program (or the lack of such a program) has a ripple effect that flows to affect other aspects of the organization. When an organization has established a safety program and has educated workers on what is expected in the performance of their jobs, positive benefits flow back to that organization. This is a return on the investment of the safety education. The positive benefits that enhance an organization include:

1. improved productivity as workers aren't missing work due to injuries
2. improved morale among employees as they aren't talking about that "missing finger"
3. lower workers compensation insurance cost
4. lack of negative press due to serious injuries
5. avoidance of the indirect or hidden cost from losses.

In addition to the actual dollars paid out in claims

Revisions to the Risk Management Manual



Remove Pages:	Replace with Pages:
Pages 9.0-1 to 9.0-4	Pages 9.0-1 to 9.0-4
Pages 9.1-1 to 9.1-2	Pages 9.1-1 to 9.1-2
Pages 9.3-1 to 9.3-5	Pages 9.3-1 to 9.3-5
Pages 9.6-1 to 9.6-3	Pages 9.6-1 to 9.6-3
Pages 9.7-4 to 9.7-5	Pages 9.7-4 to 9.7-5

and premiums to provide workers compensation insurance coverage, there are various **indirect costs** associated with injuries and injury management. It is estimated that indirect costs usually approach four times the cost of an injury. So, if a particular accident cost \$10,000 to provide medical care and lost wages, the estimated indirect costs of that claim is \$40,000 in "other" costs.

Indirect cost is defined as cost associated with injuries other than the claim dollars spent. Often these costs are "hidden" in the form of nonproductive activity.

Types of Indirect Cost

1. Managers' time dealing with the claim—filling out claim forms, doing accident investigations, dealing with adjusters, speaking with doctors, nurses, and the injured worker, etc.
2. Lost productivity of the injured worker—the injured worker was usually more productive than a new hire may be because he or she had been trained to do his or her particular job and has experience at that job.
3. Potential loss of product due to contamination.
4. Loss of use of equipment due to the pending investigation.
5. Time needed to hire a replacement until the injured worker can return to work.

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RMWCP UPDATE



During the 2004 Risk Management Seminar RMWCP Manager Derek Watkins announced two enhancements to the RMWCP. These enhancements are designed to ensure the State entities that have adopted the Program's proactive loss control policies such as 1) adopting the Program's Designated Medical Provider and 2) timely reporting claims and incidents share in the State's workers compensation cost savings.

- Effective July 1, 2004, when an employee of an agency or facility seeks treatment from the RMWCP occupational health Designated Medical Provider, the \$250.00 deductible for that claim will be waived.
- When RMWCP calculates future workers compensation premiums payable to the RMWCP, all State entity premiums will be calculated under the new RMWCP Dividend Program by dividing the cost of that entity's premium for a period of 3 to 5 years by the entity's total losses for that same period (the incurred loss ratio). Agencies will not be required to file any additional paperwork to qualify for this dividend program. The incurred loss ratio will determine the dividend based on:

Incurred Loss Ratio	Premium Size				
	\$0 to \$25,000	\$25,001 to \$50,000	\$50,001 to \$75,000	\$75,001 to \$100,000	\$100,001 and Over
0% - 5%	14%	17%	20%	23%	26%
5.1% - 10%	10%	13%	16%	19%	22%
10.1% - 15%	8%	10%	13%	16%	19%
15.1% - 20%	6%	7%	9%	12%	16%
20.1% - 25%	4%	5%	7%	9%	13%
25.1% - 30%	3%	4%	5%	7%	10%
30.1% - 35%	0%	2%	4%	5%	7%
35.1% - 40%	0%	0%	2%	3%	4%
40.1% - 45%	0%	0%	0%	2%	2%
45.1% & Over	0%	0%	0%	0%	0%

As with the RM Fund, the RMWCP discount applications are currently being evaluated. Your RMWCP premium statement that will be sent in September will reflect the deduction in premium you have earned as well as documentation of what potential savings are available to your entity under the Program.

Risk Management Division
Century Center
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Bismarck ND 58503-0649

CHECK IT OUT!!

Please check your address label.
Report any corrections to our office.

BULLETIN

Continued from Page 3 Loss Control Tools

Therefore, the prevention of workplace injuries has a direct and positive impact on the bottom line.

Proaction always has a much improved outcome over reaction. We can plan, direct, control, and monitor performance when we are thinking ahead of what might occur to negatively impact the State. However, when we react, the horse is out of the

barn and we have to work to mitigate losses, minimize negative impacts to the State, and clean up the event.

Why is it that we rarely have time to proact and prevent but we always make the time to react and contain? Like most management decisions, the choice is yours. Are we going to spend some time preventing injuries or spend our time taking care of the injured worker?



Electronic version of the Bulletin

The Risk Management Bulletin is now also available in an electronic format via e-mail.

Contact Renae Heller at rheller@state.nd.us to order the Bulletin electronically. Remember to route the e-mail or paper copy to all appropriate employees.

***Risk Management Division
Website Features***

Visit our website at www.state.nd.us/risk/ for standard and updated features including:

- ♦ Personnel e-mail and telephone directory
- ♦ Risk Management Manual
- ♦ Reporting Forms (following page 3.5-1 of the manual)
 - * Incident Report (SFN 50508)
 - * Notice of Claim (SFN 50552)
 - * Motor Vehicle Accident Report (SFN 51301)
 - * Destruction Hold Notice (SFN 52376)
- ♦ Facility Audit and Inspection Checklists (Page 4.3-1)
- ♦ Emergency and Disaster Procedures (Pages 4.5-1 through 4.6-5)
- ♦ Facility Use Agreement Form (Page 5.2-2)
- ♦ Waiver Forms (Pages 5.2-3 & 4)
- ♦ Risk Management Bulletins
- ♦ Discount Application Forms
 - * RM Fund (SFN 53424)
 - * RMWCF (SFN 53425)
 - * Designated Medical Provider (SFN 53758)